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SENSITIVE
SIPDIS

STATE PASS TO USTR FOR CHRIS WILSON, JASON BUNTIN
USDOC FOR STEVEN GARRETT
DEPT FOR NEA/ARP

E.O. 12958: N/A

TAGS: [ETRD](#) [KIPR](#) [ECON](#) [EINV](#) [PREL](#) [SA](#)

SUBJECT: SAUDI CUSTOMS AUTHORITY SERIOUS ABOUT IPR
PROTECTION

¶1. (SBU) Summary: In a meeting with visiting Assistant U.S. Trade Representative for Europe and the Middle East Christopher Wilson, the Director General of the Saudi Customs Authority outlined the Authority's strong efforts to protect trademarks in Saudi Arabia, which were recognized by the World Customs Organization in 2008. The Customs Authority will provide statistics on seizures of pirated goods for the upcoming Special 301 Out-of-Cycle Review, and is reviewing a list of questions regarding country of origin labeling requirements. End summary.

¶2. (SBU) The Saudi Director General for Customs Saleh Khilewy told visiting A/USTR Wilson on October 18 that Customs is the Kingdom's first line of defense against piracy and commercial fraud. Khilewy said they are pleased with industry reports on the Authority's IPR protection efforts, particularly in protecting trademarks. The Authority trained 2,000 officers in 2009 on methods for detecting pirated products and signed four agreements with companies which provide technical support in identifying fraudulent trademarks and labels. The Authority has set up two new units in 2009, one devoted to commercial fraud and a second, a risk management unit which alerts ports of entry about suspected shipments of pirated products destined for the Kingdom. The Authority's efforts were recognized in 2008, when they won the World Customs Organization's award for protecting IPR. In addition, the Authority convened a group of international experts in Medina in 2008 to review their operations. The Authority is working towards implementing all 28 recommendations from the Medina conference to improve trademark protection in the near term. A second such conference is planned for October 10, 2010 in Riyadh, to review progress and suggest further improvements.

¶3. (SBU) Khilewy said the Kingdom values trade with the United States and emphasized his organization's desire to facilitate imports and exports. Asked to provide input for the November 23 Special 301 Out-of-Cycle Review, Khilewy said his organization would provide a comprehensive report, including statistics on seized products, via the Saudi IPR Committee (on which the Customs Authority is represented). Khilewy discussed ongoing cooperation with U.S. Customs and Border Protection, including a current Saudi delegation visit to the United States, and welcomed additional collaboration.

¶4. (SBU) Wilson raised recent changes in customs policy regarding country of origin labeling, noting that U.S. exporters would find it easier to comply if the rules were clearer. Khilewy's main concern was that products not have an easily removed label, which would make it harder to counterfeit. Khilewy highlighted the importance of origin labeling in protecting IPR, noting that Saudi Arabia has

already granted 6-month to one year grace periods for specific companies to implement the new requirements. Asked about the application of origin labeling on imports with components from multiple countries, Khilewy said such items were dealt with on a case-by-case basis, but generally the label should reflect the country that assembled or finished the product. He also said that the Authority would accept printed labeling on external packaging. Wilson left a list of specific labeling questions with Khilewy, which he said he would review with his team.

15. (U) AUSTR Chris Wilson cleared on this cable.
SMITH